

MONTANA LEGISLATIVE HISTORY

Chapter 557 19 79

Bill H 570 S _____

Original bill & history ✓ c

H. Committee on State Admin.

Hearing Date(s) _____ c

2/16 ✓ c

_____ c

_____ c

Date Out 2/16 ✓ c

S. Committee on Bus. & Industry

Hearing Date(s) _____ c

3/12 ✓ c

_____ c

_____ c

3/13 ✓ c

Did this bill originate in an interim committee? _____ Yes ✓ No

Committee _____

Report _____

House BILL NO. 570

INTRODUCED BY Menaker

BY REQUEST OF THE DEPARTMENT OF BUSINESS REGULATION

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT NEW MOTOR VEHICLE DEALERS BE LICENSED ALSO WITH THE DEPARTMENT OF BUSINESS REGULATION; PROVIDING FOR AN EARMARKED REVENUE ACCOUNT; RAISING LICENSE FEES FOR MANUFACTURERS, DISTRIBUTORS, FACTORY BRANCHES, AND DISTRIBUTOR BRANCHES; AND AMENDING SECTION 61-4-202, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 61-4-202, MCA, is amended to read:

"61-4-202. License requirements. (1) No new motor vehicle dealers, manufacturer, distributor, factory branch, or distributor branch may engage in business in Montana except in accordance with the requirements of this part. The provisions of this part do not apply to a public officer engaged in the discharge of his official duties or to a trustee, receiver, or other officer acting under the jurisdiction of a court; to financial institutions disposing of repossessed vehicles; or to a person disposing of his personal vehicle. The provisions of this part regulating and licensing new motor vehicle dealers, manufacturers, distributors, factory branches, distributor branches, and

franchisors apply only to those new motor vehicle dealers, manufacturers, distributors, factory branches, distributor branches, and franchisors of motor vehicles as defined by this part.

(2) A new motor vehicle dealer or a manufacturer, distributor, factory branch, distributor branch, importer, or franchisor transacting business within Montana by offering, selling, trading, consigning, or otherwise transferring a new motor vehicle to a new motor vehicle dealer must be licensed by the state of Montana. The department shall issue licenses to qualified applicants upon receipt of a license fee in the amount of \$15 \$20 accompanied by the information required in this section.

(3) The following information if applicable shall be submitted by an applicant upon forms supplied by the department:

- (a) the name and address of the applicant;
- (b) the make and model of each new motor vehicle to be franchised;
- (c) the name and address of each of the applicant's franchisees within the state; and
- (d) the name and address of each factory branch, distributor branch, agent, or representative within the state.

(4) The license may be renewed each year if the

1 applicant is in compliance with the provisions of this part.
2 results a renewal fee in the amount of \$15.120, and notifies
3 the department of any changes in the information previously
4 supplied.

5 (5) No new motor vehicle may be sold in this state
6 unless either the manufacturer on direct dealership of
7 domestic vehicles, the importer of foreign manufactured
8 vehicles on direct dealership, or the distributor on
9 indirect dealerships of either domestic or foreign vehicles
10 is licensed as provided in this part. Notwithstanding any
11 other licensing provision contained in Montana law, every
12 new motor vehicle dealer must also obtain a license under
13 this part. The obtaining of a license under this part
14 conclusively establishes that a new motor vehicle dealer,
15 manufacturer, distributor, or importer is subject to the
16 laws of this state regulating new motor vehicle dealers,
17 manufacturers, importers, and distributors."

18 NEW SECTION. Section 2. Earmarked revenue account.
19 All license fees collected under this part by the department
20 must be deposited in an earmarked revenue account
21 established for the use of the department in the
22 administration of this part.

23 Section 3. Codification. (1) Section 2 is intended to
24 be codified as an integral part of Title 61, chapter 4, part
25 2, and the provisions contained in Title 61, chapter 4, part

1 2, apply to section 2.

2 (2) If section 2 is not codified in Title 61, chapter
3 4, part 2, the code commissioner shall add to the MCA, if
4 necessary, statutory language to convey the intent of this
5 section.

-End-

February 16, 1979

MACONE-Would this mean a change in the employee force? FITZPATRICK-No. The reduction will come in the agencies. They don't add staff to do their budget -- they just juggle vacations and things.

HB 593-Sponsored by Rep. Johnston -- People who know about this are here, so I'll turn it over to them.

ART KORN-State Volunteer Firemens' Association -- This was drafted for the volunteer firefighters -- we feel justified in asking for passage of this so that we can have a better idea and better research on fire related deaths. Very few autopsies are performed at this point. I talked with Leo Jacobson, the Coroner in Butte-Silverbow, and he has performed three of the last four autopsies and he feels that this provides good information for the fire department.

HENRY LOHR-State Volunteer Firemens' Association -- This would make it much easier for us, and I urge your support.

ROBERT ELLIS-West Helena Valley Volunteer Fire Department -- We support this.

DAVE FISHER-State Volunteer Firemens' Association -- We will have another bill coming out of the AG's office that won't make it mandatory; but when things aren't mandatory, they never seem to get done. I urge DO PASS.

NO OPPONENTS

JOHNSTON-I think it is a good bill. If one death in 50 can show what happened it will help. For the little cost, it won't be hard on any one county. The Fire Marshall informs me that in '77 there were 30 deaths from fire, with 3 autopsies performed, in '78 there were 23 deaths and 4 autopsies performed.

KROPP-If this is passed, does the Coroner have to deliver a copy to the fire department? KORN-With this, the Coroner takes the body to a pathologist and he makes the decision and the autopsy. FISHER-What the bill is asking is to eliminate that doubt. This gives the Coroner a little more legal weight. KORN-Out state attorney drafted this. MCBRIDE-I would propose an amendment on page 1, line 13, following: "structure", strike: "or, in", insert: ". In".

HB 570-Sponsored by Rep. Menahan -- This requires that auto dealers be licensed, raises the fee, earmarks it for use in administering the program.

DICK DISNEY-Department of Business Regulation, Consumer Protection Division -- In the last two years we have been operating this program with no money, and as a result of our operations we were sued by an auto manufacturer. We are increasing the fee and including automobile dealers.

JERRY RONIG-Montana Auto Dealers Association -- We have worked with them on this to give the new car dealers association some support. The bill has already saved a couple of dealers from having their licenses jerked. I agreed that \$20 was a fair fee, but I didn't know that the other bill was coming; so I would like to see the fee cut back to \$15 so that we aren't doubling our license fee.

NO OPPONENTS, NO QUESTIONS, NO NOTHING.

(NACHTSHEIM continued)-more of them will stay. At 2%, the cost would be the 65% of salary. SCHNEIDER-At least go to 2% so that these people aren't subsidizing the system. The actuary is a very conservative person and he needs to be. He can't put it in and then two years later find that it costs money. I think the figure will be somewhere in the middle. The key question to this bill is that if you really feel it is important to retain people then pass this. People are starting to move out with 20 years of service because they are looking at the overall picture. QULICI-I think the experience outweighs the cost.

EXECUTIVE SESSION

BRAND-Ellis, Sivertsen and Gerke have come to a compromise.

SIVERTSEN-Rep. Ellis is going to make me a cosponsor, I have been working on this since '75. I have some very strong feelings about this and in HB 606 we are all in agreement. We have come up with some amendments (see Attachment #8). We have a problem in the present board and would like to get this signed and the new members appointed before the end of this session. My bill called for 4 members from the profession but we have now agreed to go to 3 members. We have talked this over, and the third amendment concurs with this. We need people with experience and 5 years experience shouldn't be much to ask for. So, maybe you will change the third amendment back again. Ellis agrees with 5, but we haven't talked to Gerke. This is a compromise and we hope it meets with your approval.

FEDA moves all amendments shown on Attachment #8.

MCBRIDE moved to segment the amendments, motion carried.

#1 - FEDA moved, motion carried.

#2 - JOHNSTON moved, motion carried with Magone, McBride, Baeth, Bardanouve, and Brand voting NO.

#3 - BENNETT moved "4" instead of "3". JOHNSTON made a substitute motion to reject the amendment totally, which carried.

#4 - KROPP moved acceptance, which carried with Magone, Baeth, Bardanouve and Brand voting NO.

#5 - SALES moved acceptance, which carried.

HB 606-JOHNSTON moved AS AMENDED DO PASS, with Sivertsen being shown as additional cosponsor, motion carried unanimously.

HB 286-MAGONE moved to TABLE, which carried. SIVERTSEN-Don't send this down until tomorrow. BARDANOUE-You have a budgetary problem and may have no money to operate.

HB 179-FEDA moved DO PASS, which carried with Bardanouve abstaining.

HB 570-FEDA moved DO PASS, which carried with Smith voting NO.

HB 571-BAETH moved to hold until a letter of intent could be drafted, motion carried.

CHAPTER NO. 557.

HOUSE BILL NO. 570

INTRODUCED BY MENAHAN

BY REQUEST OF THE DEPARTMENT OF BUSINESS REGULATION

IN THE HOUSE

February 5, 1979	Introduced and referred to Committee on State Administration.
February 17, 1979	Committee recommend bill do pass. Report adopted.
February 20, 1979	Second reading, do pass.
February 21, 1979	Considered correctly engrossed.
	Third reading, passed.
	Transmitted to second house.

IN THE SENATE

February 22, 1979	Introduced and referred to Committee on Business and Industry.
March 13, 1979	Committee recommend bill be concurred in as amended. Report adopted.
March 15, 1979	Second reading, pass consideration.
March 16, 1979	Second reading, concurred in.
March 19, 1979	Third reading, concurred in as amended.

IN THE HOUSE

March 20, 1979	Returned from second house. Concurred in as amended.
March 21, 1979	On motion consideration passed until the 71st Legislative Day.

March 29, 1979

Second reading, amendments
rejected.

On motion Free Conference
Committee requested.

March 30, 1979

Free Conference Committee
appointed.

April 2, 1979

Free Conference Committee
dissolved.

On motion Senate amendments
placed on second reading
for the 76th Legislative Day.

April 3, 1979

Second reading, amendments
adopted.

April 4, 1979

Third reading, amendments
adopted. Sent to enrolling.

Reported correctly enrolled.

Mr. Alan Sweetbaum from Great Falls, Montana, representing Montana's Power to the People, stated they are concerned with high utility costs. They urge a No Pass on HB 452.

Mr. Tom Berning from Great Falls, Montana, representing Montana's Power to the People, stated they are in opposition to HB 452.

Ms. Gail Stoltz of Helena, Montana, representing Montana Human Resources Development Councils Directors Association, stated they are in opposition to HB 452. Her statement is written on the testimony form and is attached to the minutes.

Representative Conroy made closing remarks to the Committee. He believes the Siting Act was a stoppage act--not a siting act. He does not feel HB 452 is a Montana Power play. He stated that if the bill goes to court, he is willing to take that chance.

There was a question and answer period from the Committee.

Senator Dover asked Tom Berning if they had any answers to the supply of energy. Mr. Berning stated they did not have the answers to this question.

Senator Goodover told the Committee they already have the research done for solar power, but costs would be too high. He stated it is too expensive to provide what the people need at this time.

Senator Blaylock asked Mr. McColly if plants were violating air-quality standards. Mr. McColly referred the question to Mr. Ross. Mr. Ross stated that Colstrip 3 and 4 would be monitored.

Senator Regan stated she does not believe the bill defines procedural deficiencies.

Chairman Hazelbaker closed the hearing on House Bill 452.

HOUSE BILL 570: Mr. Dick Disney from the Department of Business Regulation, explained the bill to the Committee for Representative Menahan, sponsor of HB 570. Representative Menahan was unable to be present at the hearing. This bill requires that new motor vehicle dealers be licensed also with the Department of Business Regulation.

PROPOSERS OF HOUSE BILL 570: Mr. Jerry Raunig of Helena, representing the Montana Automobile Dealers Association, stated they support HB 570. Mr. Raunig offered two amendments to HB 570. These proposed amendments are attached to the minutes. The amendments strike \$20 and insert \$15 on page 2, line 12 and page 3, line 2.

There was a question and answer period from the Committee.

Senator Goodover questioned the funding of the bill.

Mr. Disney stated that currently no funding was available. The \$15 goes into the general fund.

Chairman Hazelbaker closed the hearing on House Bill 570.

HOUSE BILL 599: Mr. John Northey from the Legislative Auditor's office explained the bill to the Committee in the absence of Representative Ellerd, sponsor of HB 599. This bill reestablishes for 6 years the office of Investment Commissioner in the State Auditor's office which would otherwise terminate on July 1, 1979, under the "sunset law".

PROPOSERS OF HOUSE BILL 599: Mr. R. G. Tucker from the State Auditor's Office stated they are in support of HB 599.

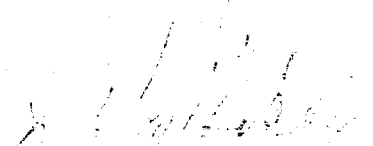
There were no other proponents or opponents to HB 599 present at the hearing.

There was a question and answer period from the Committee.

Senator Regan wondered if a statement of intent was necessary. Staff Attorney Bob Pyfer stated that a statement of intent would be necessary.

Chairman Hazelbaker asked Mr. Northey to prepare a statement of intent. Mr. Northey told the Committee he would have the statement of intent prepared for their executive session on Tuesday, March 13.

ADJOURN: There being no further business, the meeting adjourned at 12:30 p.m.



Senator Frank Hazelbaker, Chairman

MINUTES OF THE MEETING
BUSINESS & INDUSTRY COMMITTEE
MONTANA STATE SENATE

March 13, 1979

The meeting of the Business and Industry Committee was called to order by Chairman Frank Hazelbaker on the above date in Room 404 of the State Capitol Building at 10:00 a.m.

ROLL CALL: All members were present with the exception of Senator Regan who was excused.

DISPOSITION OF HOUSE BILL 424: Staff Attorney Bob Pyfer suggested an amendment to HB 424. House Bill 424, sponsored by Representative Dan Yardley, was heard by the Committee on March 12, 1979. The amendments would add into the bill the power in the districts to provide FM television services.

Mr. Pyfer stated that he had studied SB 73 which addresses a similar subject, and SB 73 would compound a problem which HB 424 was intended to remedy. The problem involves the compilation by the county assessor of a list of persons owning TV sets or FM receivers.

Senator Dover moved that the proposed amendments to HB 424 be adopted. The Committee voted unanimously to adopt the proposed amendments to HB 424. Mr. Pyfer was instructed to work out the language for the amendments, and he will show the amendments to Senator Dover and Senator Goodover before the Committee report is submitted.

Senator Dover moved that House Bill 424 Be Concurred In as so amended. The Committee voted unanimously that HOUSE BILL 424 BE CONCURRED IN AS SO AMENDED.

Senator Dover will carry House Bill 424 on the floor.

DISPOSITION OF HOUSE BILL 570: House Bill 570 was heard by the Committee on March 12, 1979.

Senator Goodover offered an amendment changing the license fee back to \$15 from \$20. The Committee voted to adopt the proposed amendment. The only "no" vote on the voice vote was from Senator Mehrens.

Senator Goodover moved that House Bill 570 Be Concurred In as so amended. The Committee voted unanimously that HOUSE BILL 570 BE CONCURRED IN AS SO AMENDED.

Senator Goodover will carry House Bill 570 on the floor.

HOUSE BILL NO. 570

INTRODUCED BY MENAHAN

BY REQUEST OF THE DEPARTMENT OF BUSINESS REGULATION

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT NEW MOTOR VEHICLE DEALERS BE LICENSED ALSO WITH THE DEPARTMENT OF BUSINESS REGULATION; PROVIDING FOR AN EARMARKED REVENUE ACCOUNT; RAISING----LICENSE---FEES---FOR---MANUFACTURERS, DISTRIBUTORS, FACTORY BRANCHES, AND DISTRIBUTOR BRANCHES; AND AMENDING SECTION 61-4-202, MCA."

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franchisors apply only to those new motor vehicle dealers, manufacturers, distributors, factory branches, distributor branches, and franchisors of motor vehicles as defined by this part.

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(3) The following information if applicable shall be submitted by an applicant upon forms supplied by the department:

(a) the name and address of the applicant;

(b) the make and model of each new motor vehicle to be franchised;

(c) the name and address of each of the applicant's franchisees within the state; and

(d) the name and address of each factory branch, distributor branch, agent, or representative within the state.

(4) The license may be renewed each year if the

1 applicant is in compliance with the provisions of this part.
 2 remits a renewal fee in the amount of \$15 ~~228 115~~, and
 3 notifies the department of any changes in the information
 4 previously supplied.

5 (5) No new motor vehicle may be sold in this state
 6 unless either the manufacturer on direct dealership of
 7 domestic vehicles, the importer of foreign manufactured
 8 vehicles on direct dealership, or the distributor on
 9 indirect dealerships of either domestic or foreign vehicles
 10 is licensed as provided in this part. ~~Notwithstanding any~~
 11 ~~other licensing provision contained in Montana law, every~~
 12 ~~new motor vehicle dealer must also obtain a license under~~
 13 ~~this part.~~ The obtaining of a license under this part
 14 conclusively establishes that a ~~new motor vehicle dealer,~~
 15 manufacturer, distributor, or importer is subject to the
 16 laws of this state regulating ~~new motor vehicle dealers,~~
 17 manufacturers, importers, and distributors."

18 NEW SECTION. Section 2. Earmarked revenue account.
 19 All license fees collected under this part by the department
 20 must be deposited in an earmarked revenue account
 21 established for the use of the department in the
 22 administration of this part.

23 Section 3. Codification. (1) Section 2 is intended to
 24 be codified as an integral part of Title 61, chapter 4, part
 25 2, and the provisions contained in Title 61, chapter 4, part

1 2, apply to section 2.

2 (2) If section 2 is not codified in Title 61, chapter
 3 4, part 2, the code commissioner shall add to the MCA, if
 4 necessary, statutory language to convey the intent of this
 5 section.

-End-

STATE OF MONTANA

Request No. 248-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 9, 1979, there is hereby submitted a Fiscal Note for House Bill 570 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to require new motor vehicle dealers be licensed with the Department of Business Regulation, raising license fees, and provide an Earmarked Revenue Account.

ASSUMPTIONS:

1. It is assumed that 665 licenses will be issued.
2. It is assumed this act will be administered by the Consumer Protection Div.

FISCAL IMPACT:

	<u>FY 80</u>	<u>FY 81</u>
Revenue under proposed law	\$13,300	\$13,300
Expenditures under proposed law	<u>13,300</u>	<u>13,300</u>
Net Fiscal Impact	<u>\$ 0</u>	<u>\$ 0</u>

Richard L. Drang for
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/12/79